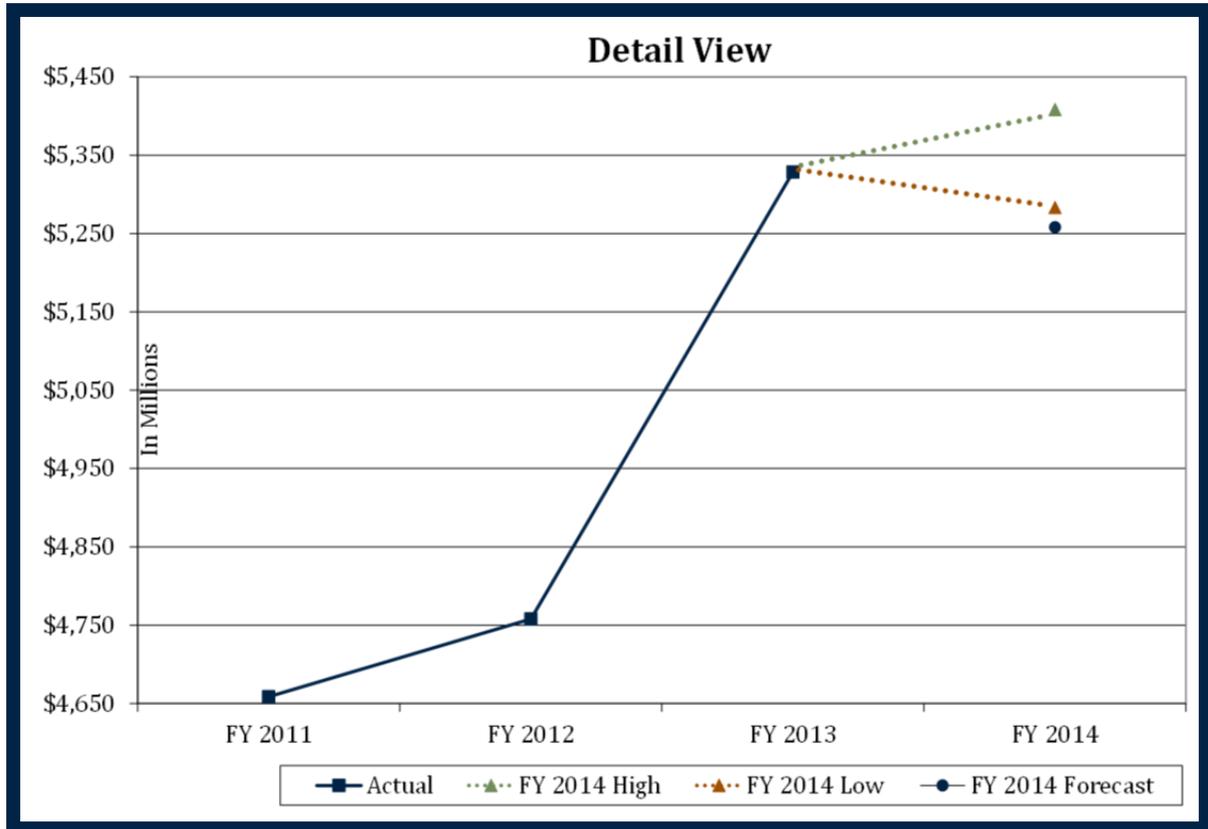


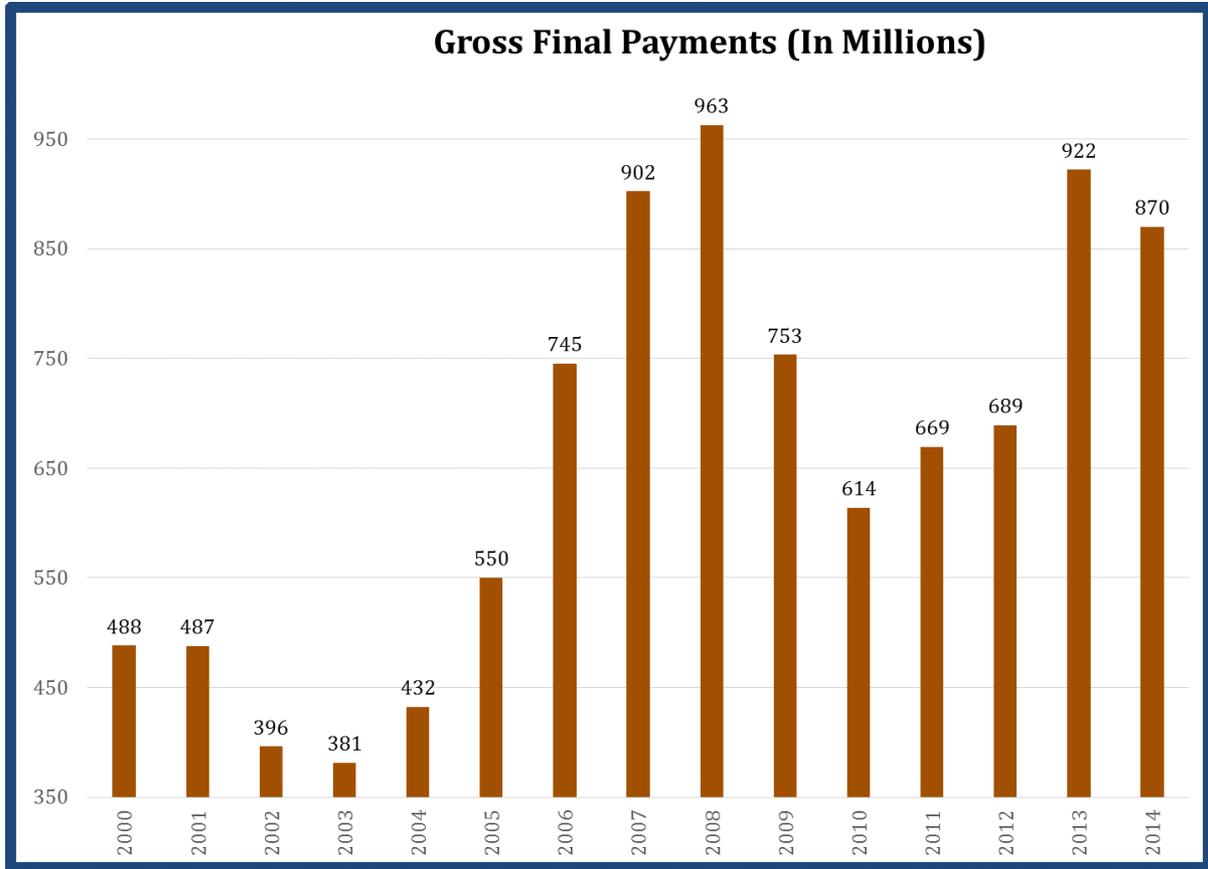
## Fiscal Highlights

### Revenue Surplus Anticipated - Andrea Wilko

Consensus estimates indicate that General Fund/Education Fund collections will end FY 2014 between \$25 million and \$150 million above targets. We expect General Fund revenue at the end of FY 2014 to be from \$25 million below to \$25 million above the May FY 2014 target, and the Education Fund to end FY 2014 from \$50 million to \$125 million above the May target.



The largest portion of the potential GF/EF revenue surplus is due to above-target growth in the income tax. Within the income tax, the strength is largely due to higher-than-anticipated gross final payments, coming in at around \$870 million, or a decline of around 6% over FY 2013 final payments. We had anticipated a decline of approximately 17%.



Overall, the economic outlook for Utah remains strong. Employment in the western states is doing particularly well: Arizona, Colorado, Oregon, Idaho and Utah are five of the 10 states forecasters expect to have the highest growth rates through 2014. Utah is also ranked number one for economic outlook in the report *Rich States, Poor States, 2014* (American Legislative Exchange Council, 2014). The methodology used indicates that the state is poised for growth and prosperity going forward. Utah has received this ranking for the past seven years.

In the same report, Utah is ranked second for economic performance. The diverse economy of the state has allowed it to weather some of the potential uncertainty and continue the trend of economic growth. Steady home construction, robust investment in high tech and the aerospace industry, and trade with Asia are a few of the reasons why businesses in Utah are doing comparatively so well.